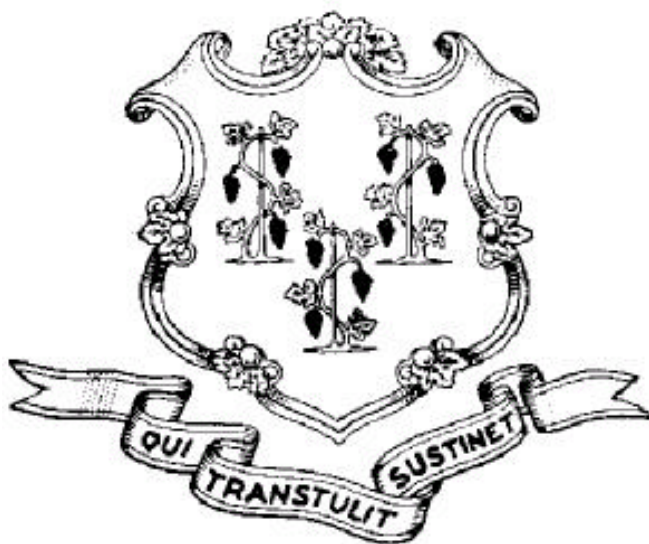


STATE OF CONNECTICUT
PURCHASING CARD PROGRAM

CARDHOLDER WORK RULES



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OVERVIEW

The Purchasing Card program is co-sponsored by the Department of Administrative Services Procurement Services and the Office of the State Comptroller. It is designed and intended to more effectively meet your purchasing and travel needs. It streamlines and simplifies the purchasing and accounts payable functions by eliminating waste and low value activities, ultimately, reducing transaction costs, and improving vendor relations.

The Purchasing Card (P-Card) is a tool that facilitates the timely acquisition of materials, automates data transactions for accounting purposes, supports travel services and offers flexible controls to help ensure proper usage.

The Purchasing Card Program (P-Card Program) reduces the time and paperwork associated with purchase orders under \$1,000, invoices and checks. The P-Card also offers an alternative to a variety of processes including petty cash, check requests, low dollar purchase orders, and travel reimbursement. The P-Card Program is not intended to avoid or bypass appropriate procurement procedures, but rather, to complement the existing processes available.

WORK RULES

The Cardholder Work Rules provide information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and other pertinent information.

This guide is a description of the work rules for any employee entrusted with the P-Card. Please remember that you are committing agency funds each time you use the P-Card. You are the person responsible for all charges made to the card that has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

The P-Card will have no impact on your personal credit. Although the Purchasing Card lists an individual's name, it is a corporate card issued to the State of Connecticut.

HOW IT WORKS

The P-Card is a MasterCard issued by Bank One. It works much like a personal credit card. However, each card has custom designed features, with built-in controls, to meet the specific needs of the cardholder and the agency.

The process is fully automated, allowing all purchases to be tracked and easily managed. ProCard, Inc. is the third party administrator for these reporting purposes. ProCard provides an Internet application, called PVSnet, to view and monitor transactions, on each credit card issued, 24 hours after a purchase has been made.

The P-Card simplifies the procurement and disbursement process by facilitating point-of-demand purchasing. Purchasing authority is delegated to the ordering departments enabling the authorized cardholders to place orders directly with the suppliers.

AGENCY PROCEDURES

Please refer to your agency's procedures for processes and guidelines specific to your agency. These may include the types of purchases that can and cannot be made, important contacts, telephone numbers, and your agency's tax-exempt certificate.

POLICY FOR P-CARDS

Commodities

The P-Card is to be used for official State of Connecticut purchases wherever MasterCard is accepted and in conjunction with current state contracts. In addition, the P-Card is to be used in conjunction with agency purchasing policies.

Allowable Services

Service providers that have been approved by the Comptroller's Accounts Payable Division can be paid using the P-Card. If the vendor you would like to use is a service provider, in order to pay using the P-Card, the vendor must be on the approved service provider's list. Contact your agency coordinator to find out if the vendor is approved on the service provider list. The criterion for approval is based on incorporated vendors providing non-reportable services and that a current W-9 form is on file. Please refer to the DAS website, e-Procurement, P-Card section for more information regarding FAQ's and services. http://www.das.state.ct.us/Purchase/PCard/PCard_Home.asp

Travel Option – Hotel and Car Rental Purchases

A travel option is available to agencies currently participating in the P-Card Program. This option is available to frequent travelers within an agency. The P-Card, modified with this travel option, allows for payment of cost of hotel lodging, car rental and gasoline for car rentals.

When using the travel option, all personal expenses, i.e., meals, movie rental, personal telephone charges, restaurant, room service, gasoline for state vehicles, etc, must not be charged to the State of Connecticut Purchasing Card.

Travel Account – Airline and Rail Ticket Purchases

The Travel Account allows purchasing authority to be delegated to one person, the Travel Account Cardholder, within an agency, who is then designated as the "Travel Coordinator" enabling him/her to place orders directly with the State contracted vendor, Sanditz Travel.

State purchases made through the Travel Account should be in accordance with Travel Regulations

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established by DAS. The Travel Account is to be used for purchases related to State business only. The Travel Account is only to be used for the purchase of airline/rail tickets which can be purchased through the State contracted vendor, Sanditz Travel.

CREDIT CARD LIMITS

The Purchasing Card Program provides enhanced control for each transaction. When the vendor at the point-of-sale requests a purchase authorization, the MasterCard system validates the transaction against pre-set limits established by the agency. All transactions are approved or declined (instantaneously) based on the following Purchasing Card authorization criteria:

- Spending limit per month
- Number of transactions allowed per month
- Number of transactions allowed per day
- Single transaction purchase limit not to exceed \$1,000 for commodities
- Single transaction purchase limit not to exceed \$1,500 for travel expenses
- Approved or excluded commodity code (Merchant Category Codes (MCC) established by the bank and encoded into the magnetic strip on the reverse side of the card)

These limits are required for each card. Your supervisor and agency business office have determined what these pre-set limits will be for your individual card. If any of these limits are reached, further transactions in that month's billing cycle will be denied.

Single Transaction Purchase Limit - \$1,000/\$1,500

Each Purchasing Card will have a maximum amount of \$1,000 per transaction for commodities. If a card has the travel option, the single transaction purchase limit could be up to \$1,500 for travel use. The transaction limits cannot be changed. The P-Card will reject purchases for amounts greater than this limit. Under no circumstances should a transaction be split in order to bypass the single transaction dollar limit.

HOW TO USE THE PURCHASING CARD FOR COMMODITY PURCHASES

The Purchasing Card may be used to purchase approved goods at the point of sale, over the phone, by fax or by mail.

1. **Identify:** Identify if the purchase is appropriate for the P-Card by determining if your transaction total is \$1,000 or less. If not, the purchase must be processed in accordance with established procurement policy and procedures.
2. **Contract:** Determine if the item you need is available from a State contract. **If the item you are ordering is available from a State contract supplier, the order must be placed with the State contract supplier.** Always use the State contract unless it cannot meet your business need in terms of delivery time. See "Contract Compliance."

3. **Contact:** Call or go to the vendor's place of business and place the order. If calling, advise the vendor that you are calling from the State of Connecticut and you will be making a MasterCard Purchasing Card purchase. **Emphasize that it is a tax-exempt purchase. Please note: the tax-exempt number is imprinted on the card under the cardholder name. However, this information is not automatically passed to the vendor through the magnetic strip.**
4. **Order:** Give the vendor the account number and expiration date on your P-Card. **Important:** Tell the vendor that the address label/packing slip that accompanies the package must contain the following information; cardholder's name, agency name, building and room number, street and city address. Packages that are not labeled as described may delay the delivery of items ordered indefinitely. ***Under no circumstances should the vendor indicate the Purchasing Card number on any address label or packing list. Listing this information would threaten the security of your card. Inform the vendor not to send a bill or invoice to the ordering department or your business office. Submitting an invoice for a charge card transaction may result in a duplicate payment.***
5. **Record:** Enter the purchase transaction information on the cardholder's Purchase Log. See "Completion of the Purchase Log."
6. **Retain:** Retain all documentation pertaining to the purchase. See "Proof of Purchase Documentation."
7. **Inspect:** Inspect the shipment when it is received or picked up. In case of returns, the cardholder is responsible for coordinating the return directly with the supplier.

CONTRACT COMPLIANCE

While the P-Card is a purchasing tool, it does not signal a change in policy regarding compliance with the State's contract suppliers.

DAS Procurement Services is authorized to negotiate and issue contracts that will provide the State with "least total cost" arrangements for goods and services required from outside vendors. In negotiating those contracts, DAS Procurement Services will consider not only the vendor's line item pricing for the products or services, but will also consider the vendor's:

- Ability to provide the necessary quality, delivery and service
- Overall pricing structure
- Financial stability
- Warranty and Service Policies
- Other organizational requirements

Supplier contract pricing and performance are normally based on the State's overall anticipated volume of purchases during the contract period. In order to assure state agencies of "least total cost" of goods or services, and to fulfill the obligation to consolidate all of its requirements with the authorized contract

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supplier(s), all offices are obligated to order required goods or services from those suppliers who are authorized contract suppliers.

Circumventing the use of these contracts may result in some initial savings, but repeated circumvention reduces contract value, discourages vendors from bidding in the future and eventually results in higher prices. What appears to be a savings on an individual purchase basis can and often does result in higher costs over time.

COMPLETION OF THE PURCHASE LOG

The Purchase Log, CO-501 (see Exhibit A) has been preprinted on an envelope for the convenience of maintaining all documentation related to P-Card transactions. Cardholders are responsible for recording each transaction on this log, and retaining all documentation in this envelope*. A new envelope should be used for each billing cycle. If more lines are needed for a particular billing cycle, please make a copy of the Purchase Log and attach it to the envelope.

*The Purchase Log Envelope was developed and intended for the convenience of reconciliation and ease of auditing. Use of the Purchase Log Envelope is strongly recommended. However, agency procedures may differ from this process if compensatory controls are already in place. Please refer to your agency procedures for information regarding the Purchase Log Envelope.

Recording Returns on the Purchase Log

If you need to return a shipment, please record this as a credit on the Purchase Log. A return should be recorded as two separate transactions. The first is the purchase. The second is the return of the same item. This is how it will appear on your PVSnet Statement.

Proof of Purchase Documentation:

Cardholders are responsible for maintaining adequate transaction documentation. Documentation must support the business purpose of all transactions made with the P-Card. Agencies are responsible for record retention in accordance with the State Librarian's Record Retention Policy. Supporting documentation should include the following items:

- Copy of an order form or application when available
- Packing slip (for goods received)
- Original cashier receipt or vendor invoice

MONTHLY CARDHOLDER STATEMENTS

Each cardholder will receive a PVSnet Statement from his/her agency coordinator each billing cycle. The cycle cutoff date is the 10th of each month. The statement identifies each transaction made with the P-Card during the billing cycle, and is reconciled against the Purchase Log.

RECONCILING YOUR ACCOUNT

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Compare each transaction on the PVSnet statement with each transaction on the Purchase Log. If a transaction recorded on the Purchase Log does not appear on the statement, put a line through the transaction. Copy this transaction to the Purchase Log for reconciliation in the next month's billing cycle.

The Purchase Log Envelope** must be signed by the cardholder as proof of reconciliation and then approved and signed by the cardholder's reviewer. After proper signatures are attained, it should be forwarded to the agency's business office with the original PVSnet statement and the original receipts inside, by the last day of the month.

**Agency procedure may differ on the use of the Purchase Log Envelope. Please see "Completion of the Purchase Log" for more information.

RESOLVING STATEMENT ERRORS AND DISPUTES

Most errors and disputes can be resolved between you and the supplier directly. However, if there is a charge that is not recognized by you, or if it appears to be incorrect, and you are unable to straighten it out with the vendor, it can be disputed through Bank One. *Submit the "Dispute Form" (see Exhibit B) with supporting documentation within thirty (30) days of the statement date to.*

Disputing a Transaction

A Cardholder may dispute a charge that appears on their monthly credit card statement. If there is a charge that is not recognized by the Cardholder, or if it appears to be incorrect, the Cardholder must submit "Transaction Dispute Form" (Exhibit B) with supporting documentation within 30 days of the statement date, to your agency P-Card Coordinator. Your agency coordinator will follow the procedures for handling disputes as stated in the Coordinator Manual.

P-Card accounts will be paid in full regardless of whether or not there is a disputed transaction. When Bank One has completed the investigation, you will be notified of the resolution. If the dispute is settled in your favor, your account will be credited for the disputed transaction amount.

During the dispute process, the Program Administrator may be required to request copies of a receipt or invoice. If this is necessary, your account will be charged \$5.00 for each copy supplied by Bank One.

PAYING THE BILL

The Purchasing Card is a corporate account. The Purchasing Card bill will be paid in full each month by your agency's business office.

WHAT TO DO IF YOUR CARD IS LOST OR STOLEN

Lost or Stolen Card: 1- 800-316-6056

The Purchasing Card should be secured, just as you would secure your personal credit cards. **If your P-**

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Card is lost or stolen, it is your responsibility as the cardholder to immediately report this to Bank One and cancel your account. Bank representatives are available 24 hours a day, 7 days a week. Please follow these instructions:

- Immediately contact Bank One at **1-800-316-6056**.
- Contact your agency Purchasing Card Coordinator - phone #: _____
- Contact the Purchasing Card Program Administrator at (860) 713-5072, or 713-5066.

REFUSAL OF CARD OR ACCOUNT

Should you be declined at the point of sale for any reason, please contact your agency Purchasing Card Coordinator or Bank One at 1-800-316-6056. Every effort will be made to determine why your card was declined.

DEPARTMENTAL CHANGES

If you transfer to a new department or leave the agency, return your P-Card to your agency Purchasing Card Coordinator immediately. Your card will be cancelled or temporarily closed until it is determined whether or not you will continue to need the P-Card in your new venue.

PURCHASING CARD AUDIT ACTIVITY

To ensure the continued success of the Purchasing Card Program and to meet audit requirements, random audits will be made by appropriate personnel, including the Auditors of Public Accounts and the Office of the State Comptroller. The random audits are to help ensure adherence to the Program's policies and procedures.

P-CARD LOG SHEET

STATE OF CONNECTICUT

PURCHASING CARD PROGRAM

Cardholder Name: _____

Agency #-Name/Department: _____

Billing Cycle Dates _____ to _____

Date of Purchase	Vendor	Description of Purchase	Amount	Object Code	R=Returned C=Credited D=Disputed	On Contract? Yes/No SBE/MBE/WB E
			\$			

CO-501 (4/2000)

Cardholder Signature _____ Date _____

Supervisor/Reviewer Signature _____ Date _____

Total \$ _____

STATE OF CONNECTICUT P-CARD TRANSACTION DISPUTE FORM

File this claim with the Bank One Disputes Team by calling 1-888-297-0768 or by faxing this form to 1-847-931-8861.

Attn: _____

Date: _____

To: Bank One Disputes Team

of pages including this page: _____

Phone #: 1-888-297-0768

Fax #: 1-847-931-8861

I am initiating this dispute on behalf of the customer, State of Connecticut, Corp. # 6130

Name: _____

Relationship to cardholder: _____

Phone #: _____

Fax #: _____

Signature: _____

Cardholder Information

Account Number: _____ - _____ - _____ - _____

Cardholder Name: _____

Phone #: _____

Agency: _____

Transaction Information

Merchant Name: _____

Phone #: _____

Merchant Location: _____

Transaction Date: __ / __ / __

Transaction Amount \$ _____

Please check the appropriate dispute and complete the corresponding information.

☐ I don't recognize this sale.

☐ I never authorized this transaction.

****Cardholder Signature required:**

☐ This transaction appears twice on my statement, and I only authorized one transaction. ****Cardholder Signature required:**

☐ I paid for this transaction by other means.

****Must provide supportive documentation as proof of payment.**

☐ I was billed a different amount than my receipt shows.

****Must provide a copy of the receipt showing the amount that should be billed.**

☐ Other: _____

Also, fax this to the P-Card Program Administrator at 860-713-7484, for the file.

STATE OF CONNECTICUT PURCHASING CARD APPLICATION FORM

ACTION: check one please <input type="checkbox"/> NEW ACCOUNT <input type="checkbox"/> CHANGE <input type="checkbox"/> CLOSE: DELETE/SUSPEND	TYPE OF ACCOUNT: <input type="checkbox"/> P-CARD <input type="checkbox"/> DEPARTMENT CARD <input type="checkbox"/> PROJECT CARD: EFFECTIVE DATES – START / / END / /	_____ - _____ - _____ - _____ CARDHOLDER ACCOUNT # (required for change or close)
--	---	---

CARDHOLDER INFORMATION						
CARDHOLDER NAME (UP TO 24 CHARACTERS)			EMPLOYEE NUMBER		BARGAINING UNIT	
TAX EXEMPT ID NUMBER			WORK PHONE NUMBER () -			
AGENCY NAME - AGENCY NUMBER (ADDRESS LINE 1)			EMAIL ADDRESS			
STREET ADDRESS, ROOM NUMBER (ADDRESS LINE 2)			SOCIAL SECURITY NUMBER* - -		DATE OF BIRTH / /	
CITY		STATE CT	ZIP CODE		MOTHER'S MAIDEN NAME OR PASSWORD	
*This information is needed for identification purposes only and will not be reflected on personal credit history.						

CARDHOLDER CONTROLS	
CYCLE SPENDING LIMIT - \$	SINGLE PURCHASE LIMIT - \$
MAXIMUM # TRANSACTIONS/DAY -	MAXIMUM # TRANSACTIONS/CYCLE -
PURCHASING AUTHORIZATION (please check one or all that apply) <input type="checkbox"/> COMMODITIES <input type="checkbox"/> HOTEL & AUTO RENTAL <input type="checkbox"/> AIR & RAIL TICKETS <input type="checkbox"/> OTHER/CUSTOM (please explain below)	
MCCG (please leave blank)	

REPORTING HIERARCHY CONTROLS (*please leave Levels 1, 2, 3, 4 blank)				
LEVEL 6 (NAME OF BUSINESS UNIT WITHIN AN AGENCY)		ACCOUNTING STRING		
AGENT NUMBER	*LEVEL 1 (STATE OF CT) 06130	*LEVEL 2 (AGENCY CODE)	*LEVEL 3 (AGENCY #)	*LEVEL 4 (UNIT CODE)

CARDHOLDER APPROVALS			
AGENCY COORDINATOR (please print)	PHONE NUMBER	AGENCY COORDINATOR APPROVER SIGNATURE	DATE
**AGENCY HEAD (please print)		CARDHOLDER SIGNATURE	DATE
**AGENCY HEAD APPROVER SIGNATURE	DATE	PURCHASING CARD ADMINISTRATOR SIGNATURE	DATE
**This information is only needed when the box for Air & Rail Tickets has been checked in the Cardholder Controls section of this form.			

CARDHOLDER ACKNOWLEDGMENT OF RECEIPT OF NEW CARD	
I acknowledge receipt of one (1) State of Connecticut Purchasing Card and receipt of all applicable training materials and agree to use the card in accordance with the work rules outlined in these materials and as presented in the mandatory training session.	
SIGNATURE OF CARDHOLDER:	DATE:

BANK USE ONLY				
_____ - _____ - _____ - _____ CARDHOLDER ACCOUNT NUMBER	SIGNATURE VERIFIED	DATE	INITIALS	MANAGEMENT